



The Budget Fiscal Year 2011

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Fiscal Year 2011 Operating Budget

The Budget FY2011



Current Year Budget Status

- Revenues are Projected to be **UP** in Property Taxes
- Revenues are Projected to be Significantly **DOWN** in Local Option Sales Tax
- Revenues are Projected to be Slightly **DOWN** in All Other Revenue Categories

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Actions Taken In Prior Budgets To Reduce Costs

- Internal Service Fund Eliminations
- Travel Reductions
- Longevity and Perfect Attendance
- Fleet Reductions
- Operational Efficiencies
- Hiring Freeze

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Building Blocks for FY11 Budget

- Economic Conditions
- Minimal Revenue Increases Expected For 2011
- Rising Benefit Costs/Investing in Metro Employees and Retirees
- Funding Priorities
- Cut Spending Without Impacting Services
- “Maintenance of Effort” for Schools

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Building Blocks for FY11 Budget

- Multi-Year Budgeting
- Challenges Of A Still Stagnant Economy
- Two Historic Choices
 - Taxes
 - Slash Departmental Spending And Services

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Conclusion

- 2011 Is Not Year To Raise Property Taxes
- Can't Significantly Reduce Without Seriously Impacting Priorities Such As Education And Public Safety
- Multi-Year Budget Planning Is Needed

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Balanced Budget- NO NEW TAXES

- No Facilities Will Be Closed
- Priorities Will Be Safeguarded
 - Public Safety
 - Education
 - Direct Services
 - Investment in Employees and Retirees
 - Reserves Protected
- Government Will Maintain All Basic Services At Current Levels

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Debt Restructuring

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Debt Restructuring

Why We're Doing This

- Considered Numerous Options To Allow Budget Relief During Difficult Economic Times
- Concluded That Restructuring Portions Of The Debt Offered Best Solution
- Conservative Debt Patterns
- Low Interest Rate and Use of Build America Bonds

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Debt Restructuring **What Are We Doing**

- Refinance A Portion Of Outstanding Debt To Reduce Scheduled Debt Service Payments For Next Several Years
- Reductions Will Be Used To Fund Critical Operations Of The Government

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Debt Restructuring Schedule



- Filing Bond Resolution For May 18th Meeting
- Need Approval So Bonds Can Be Sold Late May or Early June – Before The Budget Is Adopted By the Council

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Debt Restructuring Benefits



- Opportunity To Take A Longer Term Look At The Budget To See If The Economy Will Rebound
- If We Don't See Economic Recovery, We Have Time To Ease Into Budget Changes Rather Than Immediate Dramatic Impact
- Do This Without Impacting Our Bond Rating
- Past Conservatism Means We Can Restructure And Still Maintain An Overall Conservative Debt Pattern

Budget Message



Operating Budget Instructions

- 7.5% Reduction Scenario
- Focus On Non-Direct Service Reductions
- Would Consider Revenue Enhancement Proposals

The Budget FY2011



The Budget FY2011

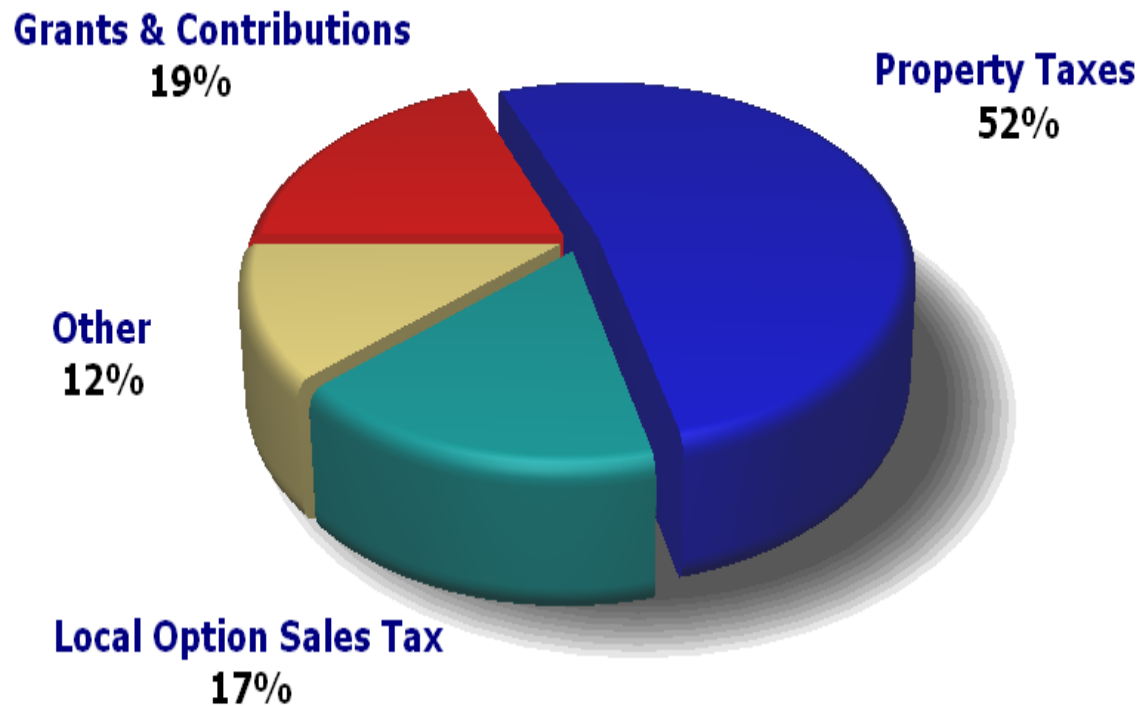
Budget Overview

Total Budget \$1,524,062,500

- Decrease of 1.2% from 09-10 Approved Budget
- \$18.1 Million Less than the 09-10 Approved Budget

The Budget FY 2011

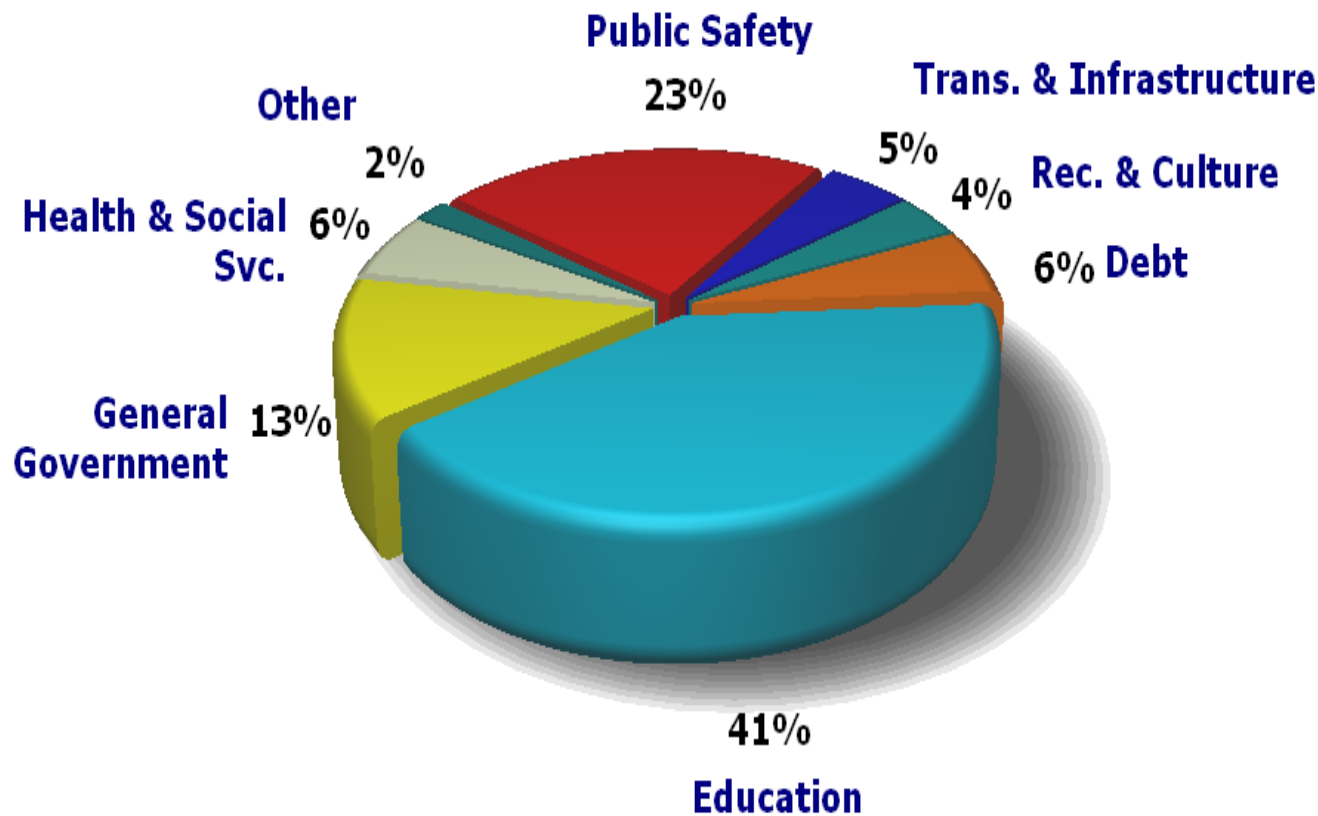
Where The Money Comes From



No Fund Balance Appropriations

The Budget FY 2011

Where The Money Goes



Reduced Debt Service Requirements

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Selected Recommended Budget Increases

- Contractual Requirements
 - \$154,000 - Forensic Medical Examiner
 - \$500,000 - Correctional Health Services
 - \$140,000 - Juvenile Detention Center Contract
 - \$730,500 - Various Public Works Contracts
- \$2,308,100 - MTA
- \$1,500,000 - Hospital Authority
- \$1,000,000 - Fulton Campus Operating Costs
- \$500,000 - Start Up Costs for DNA Crime Lab
- \$145,900 - Chief Information Security Officer
- Transfer Items Previously Funded By Hotel/Motel Fund to General Fund - \$ 12 million

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Investment in Employees and Retirees*

- Few, If Any Layoffs
- Health, Life And Dental - \$6.8 Million
(actives and pensioners)
- IOD - \$1 Million
- Pension - \$8.9 Million
- Longevity Restoration - \$3.1 Million
- 2% Lump Sum Salary Adjustment Paid In August To All Full Time Metro Funded Employees (\$2,000 cap) - \$7.9 Million
- Restoration of Employee Shuttle Services -\$100,000

*GSD/USD requirements for general fund departments, subsidized accounts and internal service funds

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**Departmental
Budget Reductions
Range from 0-5%**

**Overall Estimated Reduction
To Departmental Budgets Is
1.4% (GSD/USD)**

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Departmental Budget Reductions

Average Reduction By Service Grouping

- Public Safety – 1%
- Elected Officials – 2.1%
- All Other – 2.1%

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Metro Schools

Fully Funds Requested Budget of

\$633,342,600

With No Recommended Use of Fund Balance



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Legislation

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Legislation To Track With Budget

- Transportation Licensing for “other passenger vehicles for hire” Fees
- State Trial Court – Litter Fees
- General Sessions/Sheriff - Traffic School Fees and DUI Transfer to Sheriff’s Office
- Convention Center
- Debt Restructuring (*anticipated 5/7 filing date*)
- Budget Ordinance
- Tax Levy
- Urban Council Resolution
- Pay Plan and Increment Suspension (*anticipated 5/21 filing date*)
- Capital Improvement Budget
- Initial Bond Resolution For Capital Spending Plan

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Looking Ahead To FY 2012 **Expect More of the Same**

- Priorities Remain The Same
- Continue To Budget Conservatively And Identify Ways To Reduce Costs
- Remain Hopeful For FY11 Revenue Growth

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Capital Spending Plan

Capital Spending Plan



Initial Bond Resolution

- Authorizes **\$160** Million In New Projects
- Complete List Of Projects Will Be Filed With Resolution

Capital Spending Plan



Projects To Be Included

- Fire – Master Plan Implementation
- General Services - Various
- ITS – General Improvements
- MTA – Buses and Other Various
- Parks – Various
- Police Precincts (2)
- Public Health (Southeast and Lentz)
- Public Library - Bellevue
- Public Works – Various
- Schools - Various
- District Energy System – Music City Center Connections
(Self-Funding)

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**Departmental
Operating Budget Highlights
Will Be Emailed
To Departments From OMB
By No Later Than
Close of Business Friday**

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Questions?

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**For More Information
Visit The
Citizens' Guide to the Metro
Budget**

www.nashville.gov/citizens_budget